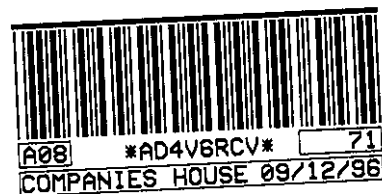


**ACROL AIR CONDITIONING COMPANY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST MARCH 1996**

**REGISTERED NUMBER
1287959
ENGLAND AND WALES**

**BREWSTER & BROWN
ACCOUNTANTS & REGISTERED AUDITORS
129/131 NEW BRIDGE STREET
NEWCASTLE UPON TYNE
NE1 2SW**



**REPORT OF THE AUDITORS' TO THE DIRECTORS OF
ACROL AIR CONDITIONING COMPANY LIMITED
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 4 together with the full statutory accounts of the company. The scope of our work for the purpose of this Report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the Directors' Statement on page 2 and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 21st November 1996 we reported to the shareholders on the statutory accounts of the company for the year ended 31st March 1996, prepared under Section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under Section 235 of the Companies Act 1985 was as follows:

"We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1, the company directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts to report our opinion to you.

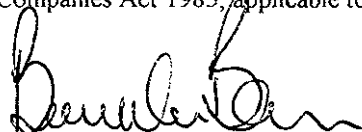
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985, applicable to small companies.



Brewster & Brown
Accountants and Registered Auditors
129/131 New Bridge Street
Newcastle Upon Tyne
NE1 2SW

Dated: 17.12.96

ACROL AIR CONDITIONING COMPANY LIMITED
ABBREVIATED BALANCE SHEET AS AT 31ST MARCH 1996

	NOTE	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Tangible assets	2	190,422	182,032
CURRENT ASSETS			
Stocks and work in progress		113,673	156,611
Debtors	3	613,115	600,181
Cash at bank and in hand		266	255
		<u>727,054</u>	<u>757,047</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	668,681	691,338
NET CURRENT ASSETS		<u>58,373</u>	<u>65,709</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		248,795	247,741
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	4	127,162	129,272
		<u>£ 121,633</u>	<u>£ 118,469</u>
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	5	100	100
Profit and loss account		121,533	118,369
		<u>£ 121,633</u>	<u>£ 118,469</u>

The directors have taken advantage of the special exemption conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of the board of directors:



M.J. KEARS - DIRECTOR

Approved by the board on:



The notes on pages 3 and 4 form part of these abbreviated accounts.

ACROL AIR CONDITIONING COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 1996

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced sales of goods, excluding Value Added Tax.

Tangible fixed assets

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	15% on reducing balance
Motor vehicles	-	25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

ACROL AIR CONDITIONING COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS AS AT 31ST MARCH 1996. (CONT'D)

2. FIXED ASSETS

<u>COST</u>	<u>FREEHOLD PROPERTY</u>	<u>OFFICE EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>FIXTURES & FITTINGS</u>	<u>TOTAL</u>
	£	£	£	£	£
As at 1st April 1995	117,500	18,020	78,599	17,288	231,407
Additions	-	3,091	45,723	-	48,814
Disposals	-	-	(52,224)	-	(52,224))
As at 31st March 1996	117,500	21,111	72,098	17,288	227,997
<u>DEPRECIATION</u>					
As at 1st April 1995	-	3,965	36,681	8,729	49,375
Charge for year	-	2,571	14,187	1,284	18,042
Disposals	-	-	(29,842)	-	(29,842)
As at 31st March 1996	-	6,536	21,026	10,013	37,575
<u>NET BOOK VALUE</u>					
As at 31st March 1996	£ 117,500	£ 14,575	£ 51,072	£ 7,275	£ 190,422
As at 31st March 1995	£ 117,500	£ 14,055	£ 41,918	£ 8,559	£ 182,032

3. DEBTORS

All debtors fall due within one year.

4. CREDITORS

All creditors are wholly payable within five years, including the following secured creditor:-

	<u>1996</u>	<u>1995</u>
Bank overdraft	£ 43,936	£ 11,893

5. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised 100 ordinary shares of £1 each	£ 100	£ 100
Allotted, called up and fully paid 100 (1995 - £100) ordinary shares of £1 each	£ 100	£ 100